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THE WHITE HOUSE  
WASHINGTON

Central Intelligence  
7

17 July 1946

MEMORANDUM FOR:

FILE.

On 16 July Mr. Clifford met Mr. Huston and Mr. Lay from the Central Intelligence Group, in his office and discussed with them a proposed bill for the establishment of the Central Intelligence Agency. Commander Elsey was also present.

The basis of the discussion was the draft bill which had been submitted by General Vandenberg to Mr. Clifford for comment, and Mr. Clifford's memorandum in reply of 12 July 1945.

Mr. Clifford pointed out that it was <sup>not</sup> the President's original intention that a new agency ~~be~~ be created and he remarked that it appeared that the proposed bill was departing from the President's intention by establishing a separate and sizeable government agency. Mr. Clifford also remarked that the President had intended that his letter of 22 January 1945 would provide a workable plan for the Central Intelligence Group. Mr. Clifford then asked if experience had shown that the plan outlined in the President's letter was not workable.

Mr. Huston and Mr. Lay discussed at some length the administrative difficulties which the Central Intelligence Group has had due to its being a step-child of three separate departments. They stated that experience showed that enabling legislation was necessary in order that the Central Intelligence Group could operate as an integrated organization. They also informed Mr. Clifford that experience had shown that the Central Intelligence Group should become an operating agency with a large staff of Intelligence experts.

After lengthy discussion, it was agreed by all present that the original concept of the Central Intelligence Group should now be altered; experience had shown that it would be ineffective if it remained only a small planning staff and that it must now become a legally established, fairly sizeable, operating agency. Mr. Clifford stated that he would discuss this new concept with Admiral Leany and the President.

There followed a detailed examination of the draft bill in light of the comments and criticisms made in Mr. Clifford's

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memorandum of 12 July. Mr. Huston and Mr. Lay agreed that all of Mr. Clifford's points were well taken and they agreed to rewrite the bill incorporating his suggestions.

It was apparent during this ~~part~~ part of the discussion that neither Mr. Huston nor Mr. Lay had given much thought to the words which they had used in drafting the bill. Both stated that large parts of it had been extracted from other proposed legislation or other documents relating to Intelligence. In their hasty preparation of the draft in this cut-and-paste method, they had failed to grasp the essential point that the National Intelligence Authority should be a planning group and the Central Intelligence Agency an operating group.

Mr. Clifford pointed out to them the probable opposition which a proposed bill would arouse if great care and thought were not given to the choice of words used.

Mr. Huston and Mr. Lay will prepare a new bill and send it to Mr. Clifford for comment.

*huc*  
SECRETARY

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